

Form **1040**

U.S. Individual Income Tax Return

2006

(99)

IRS Use Only - Do not write or staple in this space.

OMB No. 1545-0074

Label
(See instructions on page 16.)

Use the IRS label. Otherwise, please print or type.

Presidential Election Campaign

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E

For the year Jan. 1-Dec. 31, 2006, or other tax year beginning

, 2006, ending

, 20

Your first name and initial

RAFAEL E

Last name

CRUZ

If a joint return, spouse's first name and initial

HEIDI S

Last name

CRUZ

Home address (number and street). If you have a P.O. box, see page 16.

1510 HARTFORD ROAD

Apt. no.

City, town or post office, state, and ZIP code. If you have a foreign address, see page 16.

AUSTIN, TX 78703

Your social security number

Spouse's social security number

You must enter
▲ your SSN(s) above.▲

Checking a box below will not change your tax or refund.

Check here if you, or your spouse if filing jointly, want \$3 to go to this fund (see page 16)

☒ You ☒ Spouse

Filing Status

1 ☐ Single2 ☒ Married filing jointly (even if only one had income)3 ☐ Married filing separately. Enter spouse's SSN above and full name here.4 ☐ Head of household (with qualifying person). If the qualifying person is a child but not your dependent, enter this child's name here.5 ☐ Qualifying widow(er) with dependent child (see page 17)

Check only one box.

Exemptions

6a ☒ Yourself. If someone can claim you as a dependent, do not check box 6ab ☒ Spouse

c Dependents:

(1) First name

Last name

(2) Dependent's social security number

(3) Dependent's relationship to you

(4) ☒ If qualifying child for child tax credit (see page 19)

Boxes checked on 6a and 6b

2

No. of children on 6c who:

● lived with you
● did not live with you due to divorce or separation (see page 20)

Dependents on 6c not entered above

Add numbers on lines above

2

d Total number of exemptions claimed

Income

Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.

If you did not get a W-2, see page 23.

Enclose, but do not attach, any payment. Also, please use Form 1040-V.

7 Wages, salaries, tips, etc. Attach Form(s) W-2

8a Taxable interest. Attach Schedule B if required

b Tax-exempt interest. Do not include on line 8a

9a Ordinary dividends. Attach Schedule B if required

b Qualified dividends (see page 23)

10 Taxable refunds, credits, or offsets of state and local income taxes

11 Alimony received

12 Business income or (loss). Attach Schedule C or C-EZ

13 Capital gain or (loss). Attach Schedule D if required. If not required, check here

14 Other gains or (losses). Attach Form 4797

15a IRA distributions

16a Pensions and annuities

17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E

18 Farm income or (loss). Attach Schedule F

19 Unemployment compensation

20a Social security benefits

21 Other income. List type and amount (see page 29)

7 **349,047.**8a **333.**9a **1,336.**9b **1,260.**

10

11

12

13 **-3,000.**

14

15b

16b

17

18

19

20b

21

22 Add the amounts in the far right column for lines 7 through 21. This is your total income

347,716.

Adjusted Gross Income

23 Archer MSA deduction. Attach Form 8853

24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ

25 Health savings account deduction. Attach Form 8889

26 Moving expenses. Attach Form 3903

27 One-half of self-employment tax. Attach Schedule SE

28 Self-employed SEP, SIMPLE, and qualified plans

29 Self-employed health insurance deduction (see page 29)

30 Penalty on early withdrawal of savings

31a Alimony paid b Recipient's SSN

32 IRA deduction (see page 31)

33 Student loan interest deduction (see page 33)

34 Jury duty pay you gave to your employer

35 Domestic production activities deduction. Attach Form 8903

36 Add lines 23 through 31a and 32 through 35

37 Subtract line 36 from line 22. This is your adjusted gross income

23

24

25

26

27

28

29

30

31a

32

33

34

35

22

23

24

25

26

27

28

29

30

31a

32

33

34

Tax and Credits

Standard Deduction for -

• People who checked any box on line 39a or 39b of who can be claimed as a dependent.

• All others:
Single or Married filing separately, \$5,150

Married filing jointly or Qualifying widow(er), \$10,300

Head of household, \$7,550

38	Amount from line 37 (adjusted gross income)	38	347,716.
39a	Check <input type="checkbox"/> You were born before January 2, 1942, <input type="checkbox"/> Blind. <input type="checkbox"/> Spouse was born before January 2, 1942, <input type="checkbox"/> Blind. Total boxes checked <input type="checkbox"/> 39a <input type="checkbox"/> 39b		
40	Itemized deductions (from Schedule A) or your standard deduction (see left margin)	40	62,803.
41	Subtract line 40 from line 38	41	284,913.
42	If line 38 is over \$112,875, or you provided housing to a person displaced by Hurricane Katrina, see page 36. Otherwise, multiply \$3,300 by the total number of exemptions claimed on line 6d	42	2,288.
43	Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	43	282,625.
44	Tax. Check if any tax is from: a <input type="checkbox"/> Form(s) 8814 b <input type="checkbox"/> Form 4972	44	73,021.
45	Alternative minimum tax. Attach Form 6251	45	5,065.
46	Add lines 44 and 45	46	78,086.
47	Foreign tax credit. Attach Form 1116 if required	47	
48	Credit for child and dependent care expenses. Attach Form 2441	48	
49	Credit for the elderly or the disabled. Attach Schedule R	49	
50	Education credits. Attach Form 8863	50	
51	Retirement savings contributions credit. Attach Form 8880	51	
52	Residential energy credits. Attach Form 5695	52	
53	Child tax credit (see page 42). Attach Form 8901 if required	53	
54	Credits from: a <input type="checkbox"/> Form 8396 b <input type="checkbox"/> Form 8839 c <input type="checkbox"/> Form 8859	54	
55	Other credits: a <input type="checkbox"/> Form 3800 b <input type="checkbox"/> Form 8801 c <input type="checkbox"/> Form	55	
56	Add lines 47 through 55. These are your total credits	56	
57	Subtract line 56 from line 46. If line 56 is more than line 46, enter -0-	57	78,086.
58	Self-employment tax. Attach Schedule SE	58	
59	Social security and Medicare tax on tip income not reported to employer. Attach Form 4137	59	
60	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	60	
61	Advance earned income credit payments from Form(s) W-2, box 9	61	
62	Household employment taxes. Attach Schedule H	62	
63	Add lines 57 through 62. This is your total tax	63	78,086.
64	Federal income tax withheld from Forms W-2 and 1099	64	66,202.
65	2006 estimated tax payments and amount applied from 2005 return	65	
66a	Earned income credit (EIC)	66a	
66b	Nontaxable combat pay election	66b	
67	Excess social security and tier 1 RRTA tax withheld (see page 60) STMT 5	67	465.
68	Additional child tax credit. Attach Form 8812	68	
69	Amount paid with request for extension to file (see page 60)	69	12,000.
70	Payments from: a <input type="checkbox"/> Form 2439 b <input type="checkbox"/> Form 4136 c <input type="checkbox"/> Form 8885	70	
71	Credit for federal telephone excise tax paid. Attach Form 8913 if required	71	40.
72	Add lines 64, 65, 66a, and 67 through 71. These are your total payments	72	78,707.
73	If line 72 is more than line 63, subtract line 63 from line 72. This is the amount you overpaid	73	431.
74a	Amount of line 73 you want refunded to you. If Form 8888 is attached, check here	74a	431.
75	Amount of line 73 you want applied to your 2007 estimated tax	75	
76	Amount you owe. Subtract line 72 from line 63. For details on how to pay, see page 62	76	
77	Estimated tax penalty (see page 62)	77	190.

Other Taxes**Payments**

If you have a qualifying child, attach Schedule EIC.

Refund

Direct deposit? See page 81 and fill in 74b, 74c, and 74d, or Form 8888.

Amount You Owe**Third Party Designee**Do you want to allow another person to discuss this return with the IRS (see page 63)? ☒ Yes. Complete the following. ☐ NoDesignee's name **PREPARER**

Phone no

Personal identification number (PIN)

Sign Here

Joint return? See page 17. Keep a copy for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature

Date

Your occupation

Daytime phone number

Spouse's signature. If a joint return, both must sign.

Date

Spouse's occupation

DIRECTOR

Paid**Preparer's**

Preparer's signature

Date

Check if self-employed ☐

Preparer's SSN or PTIN

Use Only

Firm's name (or yours if self-employed), address, and ZIP code

MEADOR & JONES, LLP

2414 EXPOSITION BLVD, SUITE BC-230

AUSTIN, TX 78703

EIN

512-472-0795

Name(s) shown on Form 1040. Do not enter name and social security number if shown on page 1.

Your social security number

RAFAEL E & HEIDI S CRUZ

Schedule B - Interest and Ordinary Dividends

Attachment
Sequence No. 08**Part I
Interest**

- 1 List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see page B-1 and list this interest first. Also, show that buyer's social security number and address ►

BANK OF AMERICA

MERRILL LYNCH

UNIVERSITY FEDERAL CREDIT UNION

GOLDMAN SACHS

Note. If you received a Form 1099-INT, Form 1099-OID, or substitute statement from a brokerage firm, list the firm's name as the payer and enter the total interest shown on that form.

Amount

149.

1.

169.

14.

1

- 2 Add the amounts on line 1

2

333.

- 3 Excludable interest on series EE and I U.S. savings bonds issued after 1989. Attach Form 8815

3

- 4 Subtract line 3 from line 2. Enter the result here and on Form 1040, line 8a

4

333.

Note. If line 4 is over \$1,500, you must complete Part III.

**Part II
Ordinary
Dividends**

- 5 List name of payer ►

EXXON MOBIL

MERRILL LYNCH

GOLDMAN SACHS

Amount

110.

362.

864.

5

Note: If you received a Form 1099-DIV or substitute statement from a brokerage firm, list the firm's name as the payer and enter the ordinary dividends shown on that form.

- 6 Add the amounts on line 5. Enter the total here and on Form 1040, line 9a

6

1,336.

Note. If line 6 is over \$1,500, you must complete Part III.

**Part III
Foreign
Accounts
and
Trusts**

You must complete this part if you (a) had over \$1,500 of taxable interest or ordinary dividends; or (b) had a foreign account; or (c) received a distribution from, or were a grantor of, or a transferor to, a foreign trust.

Yes No

- 7a At any time during 2006, did you have an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account?

X

- b If "Yes," enter the name of the foreign country ►

- 8 During 2006, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust?

If "Yes," you may have to file Form 3520. See page B-2

X

627501
11-10-06

LHA For Paperwork Reduction Act Notice, see Form 1040 instructions.

Schedule B (Form 1040) 2006

**SCHEDULE D
(Form 1040)**

Department of the Treasury
Internal Revenue Service (99)

Capital Gains and Losses

OMB No. 1545-0074

2006
Attachment
Sequence No. **12**

▶ Attach to Form 1040 or Form 1040NR. ▶ See Instructions for Schedule D (Form 1040).

Name(s) shown on return

Your social security number

RAFAEL E & HEIDI S CRUZ



Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price	(e) Cost or other basis	(f) Gain or (loss) Subtract (e) from (d)
1 2 CALL MSQ	08/12/05	01/23/06	35.		35.
2 Enter your short-term totals, if any, from Schedule D-1, line 2		2			
3 Total short-term sales price amounts. Add lines 1 and 2 in column (d)		3	35.		
4 Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824				4	
5 Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1				5	
6 Short-term capital loss carryover. Enter the amount, if any, from line 10 of your Capital Loss Carryover Worksheet in the instructions				6	()
7 Net short-term capital gain or (loss). Combine lines 1 through 6 in column (f)				7	35.

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price	(e) Cost or other basis	(f) Gain or (loss) Subtract (e) from (d)
8 100 SH GM	09/07/04	06/19/06	2,642.	4,298.	-1,656.
100 SH GM	05/10/05	06/19/06	2,642.	3,183.	-541.
9 Enter your long-term totals, if any, from Schedule D-1, line 9		9			
10 Total long-term sales price amounts. Add lines 8 and 9 in column (d)		10	5,284.		
11 Gain from Form 4797, Part I; long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4684, 6781, and 8824				11	
12 Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1				12	
13 Capital gain distributions SEE STATEMENT 9				13	56.
14 Long-term capital loss carryover. Enter the amount, if any, from line 15 of your Capital Loss Carryover Worksheet in the instructions				14	(9,360.)
15 Net long-term capital gain or (loss). Combine lines 8 through 14 in column (f). Then go to Part III on page 2				15	-11,501.

LHA For Paperwork Reduction Act Notice, see Form 1040 or Form 1040NR instructions.

Schedule D (Form 1040) 2006

Part III Summary

16 Combine lines 7 and 15 and enter the result. If line 16 is a loss, skip lines 17 through 20, and go to line 21. If a gain, enter the gain on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 17 below	16	-11,466.
17 Are lines 15 and 16 both gains? <input type="checkbox"/> Yes. Go to line 18. <input type="checkbox"/> No. Skip lines 18 through 21, and go to line 22.		
18 Enter the amount, if any, from line 7 of the 28% Rate Gain Worksheet on page D-8 of the instructions	18	
19 Enter the amount, if any, from line 18 of the Unrecaptured Section 1250 Gain Worksheet on page D-9 of the instructions	19	
20 Are lines 18 and 19 both zero or blank? <input type="checkbox"/> Yes. Complete Form 1040 through line 43, or Form 1040NR through line 40. Then complete the Qualified Dividends and Capital Gain Tax Worksheet on page 38 of the Instructions for Form 1040 (or in the Instructions for Form 1040NR). Do not complete lines 21 and 22 below. <input type="checkbox"/> No. Complete Form 1040 through line 43, or Form 1040NR through line 40. Then complete the Schedule D Tax Worksheet on page D-10 of the instructions. Do not complete lines 21 and 22 below.		
21 If line 16 is a loss, enter here and on Form 1040, line 13, or Form 1040NR, line 14, the smaller of: <ul style="list-style-type: none"> • The loss on line 16 or • (\$3,000), or if married filing separately, (\$1,500) <div style="display: flex; align-items: center;"> <div style="font-size: 3em; margin-right: 10px;">}</div> <div>SEE STATEMENT 10</div> </div> Note. When figuring which amount is smaller, treat both amounts as positive numbers.	21	(3,000.)
22 Do you have qualified dividends on Form 1040, line 9b, or Form 1040NR, line 10b? <input checked="" type="checkbox"/> Yes. Complete Form 1040 through line 43, or Form 1040NR through line 40. Then complete the Qualified Dividends and Capital Gain Tax Worksheet on page 38 of the Instructions for Form 1040 (or in the Instructions for Form 1040NR). <input type="checkbox"/> No. Complete the rest of Form 1040 or Form 1040NR.		

Schedule D (Form 1040) 2006

Alternative Minimum Tax - Individuals

▶ Attach to Form 1040 or Form 1040NR.

OMB No. 1545-0074

2006
Attachment
Sequence No. **32**

Name(s) shown on Form 1040 or Form 1040NR

Your social security number

RAFAEL E & HEIDI S CRUZ

Part I Alternative Minimum Taxable Income

1	If filing Schedule A (Form 1040), enter the amount from Form 1040, line 41 (minus any amount on Form 8914, line 6), and go to line 2. Otherwise, enter the amount from Form 1040, line 38 (minus any amount on Form 8914, line 6), and go to line 7. (If less than zero, enter as a negative amount.)	1	284,913.
2	Medical and dental. Enter the smaller of Schedule A (Form 1040), line 4, or 2 1/2% of Form 1040, line 38.	2	
3	Taxes from Schedule A (Form 1040), line 9.	3	24,799.
4	Enter the home mortgage interest adjustment, if any, from line 6 of the worksheet on page 2 of the instructions.	4	
5	Miscellaneous deductions from Schedule A (Form 1040), line 26.	5	7,844.
6	If Form 1040, line 38, is over \$150,500 (over \$75,250 if married filing separately), enter the amount from line 11 of the Itemized Deductions Worksheet on page A-7 of the instructions for Schedule A (Form 1040).	6	-3,944.
7	Tax refund from Form 1040, line 10 or line 21.	7	
8	Investment interest expense (difference between regular tax and AMT)	8	
9	Depletion (difference between regular tax and AMT)	9	
10	Net operating loss deduction from Form 1040, line 21. Enter as a positive amount.	10	
11	Interest from specified private activity bonds exempt from the regular tax.	11	
12	Qualified small business stock (7% of gain excluded under section 1202).	12	
13	Exercise of incentive stock options (excess of AMT income over regular tax income).	13	
14	Estates and trusts (amount from Schedule K-1 (Form 1041), box 12, code A).	14	
15	Electing large partnerships (amount from Schedule K-1 (Form 1065-B), box 6).	15	
16	Disposition of property (difference between AMT and regular tax gain or loss).	16	
17	Depreciation on assets placed in service after 1986 (difference between regular tax and AMT).	17	
18	Passive activities (difference between AMT and regular tax income or loss).	18	
19	Loss limitations (difference between AMT and regular tax income or loss).	19	
20	Circulation costs (difference between regular tax and AMT).	20	
21	Long-term contracts (difference between AMT and regular tax income).	21	
22	Mining costs (difference between regular tax and AMT).	22	
23	Research and experimental costs (difference between regular tax and AMT).	23	
24	Income from certain installment sales before January 1, 1987.	24	
25	Intangible drilling costs preference.	25	
26	Other adjustments, including income-based related adjustments.	26	
27	Alternative tax net operating loss deduction.	27	
28	Alternative minimum taxable income. Combine lines 1 through 27. (If married filing separately and line 28 is more than \$200,100, see instructions).	28	313,612.

Part II Alternative Minimum Tax

29	Exemption. (If this form is for a child under age 18, see instructions.) IF your filing status is ... AND line 28 is not over ... THEN enter on line 29 ... Single or head of household \$112,500 \$42,500 Married filing jointly or qualifying widow(er) 150,000 62,550 Married filing separately 75,000 31,275 } STMT 11	29	21,647.
30	If line 28 is over the amount shown above for your filing status, see instructions. Subtract line 29 from line 28. If more than zero or you are filing Form 2555 or 2555-EZ, go to line 31. If zero or less and you are not filing Form 2555 or 2555-EZ, enter -0- on lines 33 and 35 and skip the rest of Part II.	30	291,965.
31	• If you are filing Form 2555 or 2555-EZ, see page 8 of the instructions for the amount to enter. • If you reported capital gain distributions directly on Form 1040, line 13; you reported qualified dividends on Form 1040, line 9b; or you had a gain on both lines 15 and 16 of Schedule D (Form 1040) (as refigured for the AMT, if necessary), complete Part III on page 2 and enter the amount from line 55 here. • All others: If line 30 is \$175,000 or less (\$87,500 or less if married filing separately), multiply line 30 by 26% (.26). Otherwise, multiply line 30 by 28% (.28) and subtract \$3,500 (\$1,750 if married filing separately) from the result.	31	78,086.
32	Alternative minimum tax foreign tax credit (see instructions).	32	
33	Tentative minimum tax. Subtract line 32 from line 31.	33	78,086.
34	Tax from Form 1040, line 44 (minus any tax from Form 4972 and any foreign tax credit from Form 1040, line 47). If you used Sch J to figure your tax, the amount for line 44 of Form 1040 must be refigured without using Sch J.	34	73,021.
35	Alternative minimum tax. Subtract line 34 from line 33. If zero or less, enter -0-. Enter here and on Form 1040, line 45.	35	5,065.

Part III Tax Computation Using Maximum Capital Gains Rates

36	Enter the amount from Form 6251, line 30	36	291,965.
37	Enter the amount from line 6 of the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 44, or the amount from line 13 of the Schedule D Tax Worksheet on page D-10 of the instructions for Schedule D (Form 1040), whichever applies (as refigured for the AMT, if necessary) (see the instructions)	37	1,260.
38	Enter the amount from Schedule D (Form 1040), line 19 (as refigured for the AMT, if necessary) (see instructions)	38	
39	If you did not complete a Schedule D Tax Worksheet for the regular tax or the AMT, enter the amount from line 37. Otherwise, add lines 37 and 38, and enter the smaller of that result or the amount from line 10 of the Schedule D Tax Worksheet (as refigured for the AMT, if necessary)	39	1,260.
40	Enter the smaller of line 36 or line 39	40	1,260.
41	Subtract line 40 from line 36	41	290,705.
42	If line 41 is \$175,000 or less (\$87,500 or less if married filing separately), multiply line 41 by 26% (.26). Otherwise, multiply line 41 by 28% (.28) and subtract \$3,500 (\$1,750 if married filing separately) from the result	42	77,897.
43	Enter: <ul style="list-style-type: none"> • \$61,300 if married filing jointly or qualifying widow(er), • \$30,650 if single or married filing separately, or • \$41,050 if head of household. 	43	61,300.
44	Enter the amount from line 7 of the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 44, or the amount from line 14 of the Schedule D Tax Worksheet on page D-10 of the instructions for Schedule D (Form 1040), whichever applies (as figured for the regular tax). If you did not complete either worksheet for the regular tax, enter -0-	44	281,365.
45	Subtract line 44 from line 43. If zero or less, enter -0-	45	0.
46	Enter the smaller of line 36 or line 37	46	1,260.
47	Enter the smaller of line 45 or line 46	47	
48	Multiply line 47 by 5% (.05)	48	
49	Subtract line 47 from line 46	49	1,260.
50	Multiply line 49 by 15% (.15)	50	189.
If line 38 is zero or blank, skip lines 51 and 52 and go to line 53. Otherwise, go to line 51.			
51	Subtract line 46 from line 40	51	
52	Multiply line 51 by 25% (.25)	52	
53	Add lines 42, 48, 50, and 52	53	78,086.
54	If line 36 is \$175,000 or less (\$87,500 or less if married filing separately), multiply line 36 by 26% (.26). Otherwise, multiply line 36 by 28% (.28) and subtract \$3,500 (\$1,750 if married filing separately) from the result	54	78,250.
55	Enter the smaller of line 53 or line 54 here and on line 31	55	78,086.

Form 6251 (2006)

Employee Business Expenses

Department of the Treasury
Internal Revenue Service (99)

▶ See separate instructions.

▶ Attach to Form 1040 or Form 1040NR.

2006
Attachment
Sequence No. **54**

Your name

Occupation in which you incurred expenses

Social security number

HEIDI S CRUZ

DIRECTOR

Part I Employee Business Expenses and Reimbursements

Step 1 Enter Your Expenses	Column A Other Than Meals and Entertainment	Column B Meals and Entertainment
1 Vehicle expense from line 22 or line 29. (Rural mail carriers: See instructions.)	1	
2 Parking fees, tolls, and transportation, including train, bus, etc., that did not involve overnight travel or commuting to and from work	2	2,598.
3 Travel expense while away from home overnight, including lodging, airplane, car rental, etc. Do not include meals and entertainment	3	
4 Business expenses not included on lines 1 through 3. Do not include meals and entertainment SEE STATEMENT 12	4	1,970.
5 Meals and entertainment expenses (see instructions)	5	
6 Total expenses. In Column A, add lines 1 through 4 and enter the result. In Column B, enter the amount from line 5	6	4,568.

Note: If you were not reimbursed for any expenses in Step 1, skip line 7 and enter the amount from line 6 on line 8.

Step 2 Enter Reimbursements Received From Your Employer for Expenses Listed in Step 1

7 Enter reimbursements received from your employer that were not reported to you in box 1 of Form W-2. Include any reimbursements reported under code "L" in box 12 of your Form W-2 (see instructions)	7	
---	---	--

Step 3 Figure Expenses To Deduct on Schedule A (Form 1040)

8 Subtract line 7 from line 6. If zero or less, enter -0-. However, if line 7 is greater than line 6 in Column A, report the excess as income on Form 1040, line 7 (or on Form 1040NR, line 8)	8	4,568.
Note: If both columns of line 8 are zero, you cannot deduct employee business expenses. Stop here and attach Form 2106 to your return.		
9 In Column A, enter the amount from line 8. In Column B, multiply line 8 by 50% (.50). (Employees subject to Department of Transportation (DOT) hours of service limits: Multiply meal expenses incurred while away from home on business by 75% (.75) instead of 50%. For details, see instructions.)	9	4,568.
10 Add the amounts on line 9 of both columns and enter the total here. Also, enter the total on Schedule A (Form 1040), line 20 (or on Schedule A (Form 1040NR), line 9). (Reservists, qualified performing artists, fee-basis state or local government officials, and individuals with disabilities: See the instructions for special rules on where to enter the total.)	10	4,568.

LHA For Paperwork Reduction Act Notice, see instructions.

Form 2106 (2006)

Part II Vehicle Expenses**Section A - General Information** (You must complete this section if you are claiming vehicle expenses.)

	(a) Vehicle	(b) Vehicle
11 Enter the date the vehicle was placed in service	11	
12 Total miles the vehicle was driven during 2006	12 miles	miles
13 Business miles included on line 12	13 miles	miles
14 Percent of business use. Divide line 13 by line 12	14 %	%
15 Average daily roundtrip commuting distance	15 miles	miles
16 Commuting miles included on line 12	16 miles	miles
17 Other miles. Add lines 13 and 16 and subtract the total from line 12	17 miles	miles
18 Do you (or your spouse) have another vehicle available for personal use?	<input type="checkbox"/> Yes <input type="checkbox"/> No	

19 Was your vehicle available for personal use during off-duty hours? ☐ Yes ☐ No

20 Do you have evidence to support your deduction? ☐ Yes ☐ No

21 If "Yes," is the evidence written? ☐ Yes ☐ No

Section B - Standard Mileage Rate (See the instructions for Part II to find out whether to complete this section or Section C.)

22 Multiply line 13 by 44.5¢ (.445)	22
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Section C - Actual Expenses

	(a) Vehicle	(b) Vehicle
23 Gasoline, oil, repairs, vehicle insurance, etc.	23	
24a Vehicle rentals	24a	
b Inclusion amount (see instructions)	24b	
c Subtract line 24b from line 24a	24c	
25 Value of employer-provided vehicle (applies only if 100% of annual lease value was included on Form W-2--see instructions)	25	
26 Add lines 23, 24c, and 25	26	
27 Multiply line 26 by the percentage on ln 14	27	
28 Depreciation (see instructions)	28	
29 Add lines 27 and 28. Enter total here and on line 1	29	

Section D - Depreciation of Vehicles (Use this section only if you owned the vehicle and are completing Section C for the vehicle.)

	(a) Vehicle	(b) Vehicle
30 Enter cost or other basis (see instructions)	30	
31 Enter section 179 deduction (see instructions)	31	
32 Multiply line 30 by line 14 (see instructions if you claimed the section 179 deduction or special allowance)	32	
33 Enter depreciation method and percentage (see instructions)	33	
34 Multiply line 32 by the percentage on line 33 (see instructions)	34	
35 Add lines 31 and 34	35	
36 Enter the applicable limit explained in the line 36 instructions	36	
37 Multiply line 36 by the percentage on ln 14	37	
38 Enter the smaller of line 35 or line 37. If you skipped lines 36 and 37, enter the amount from line 35. Also enter this amount on line 28 above	38	

Form **2106** (2006)

Employee Business Expenses

Department of the Treasury
Internal Revenue Service (99)▶ See separate instructions.
▶ Attach to Form 1040 or Form 1040NR.**2006**
Attachment
Sequence No. **54**

Your name

Occupation in which you incurred expenses

Social security number

RAFAEL E CRUZ

ATTORNEY

Part I Employee Business Expenses and Reimbursements**Step 1 Enter Your Expenses**

	Column A Other Than Meals and Entertainment	Column B Meals and Entertainment
1 Vehicle expense from line 22 or line 29. (Rural mail carriers: See instructions.)	1	
2 Parking fees, tolls, and transportation, including train, bus, etc., that did not involve overnight travel or commuting to and from work	2	120.
3 Travel expense while away from home overnight, including lodging, airplane, car rental, etc. Do not include meals and entertainment	3	
4 Business expenses not included on lines 1 through 3. Do not include meals and entertainment SEE STATEMENT 13	4	9,148.
5 Meals and entertainment expenses (see instructions)	5	323.
6 Total expenses. In Column A, add lines 1 through 4 and enter the result. In Column B, enter the amount from line 5	6	9,268.
		323.

Note: If you were not reimbursed for any expenses in Step 1, skip line 7 and enter the amount from line 6 on line 8.

Step 2 Enter Reimbursements Received From Your Employer for Expenses Listed in Step 1

7 Enter reimbursements received from your employer that were not reported to you in box 1 of Form W-2. Include any reimbursements reported under code "L" in box 12 of your Form W-2 (see instructions)	7		
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Step 3 Figure Expenses To Deduct on Schedule A (Form 1040)

8 Subtract line 7 from line 6. If zero or less, enter -0-. However, if line 7 is greater than line 6 in Column A, report the excess as income on Form 1040, line 7 (or on Form 1040NR, line 8)	8	9,268.	323.
Note: If both columns of line 8 are zero, you cannot deduct employee business expenses. Stop here and attach Form 2106 to your return.			
9 In Column A, enter the amount from line 8. In Column B, multiply line 8 by 50% (.50). (Employees subject to Department of Transportation (DOT) hours of service limits: Multiply meal expenses incurred while away from home on business by 75% (.75) instead of 50%. For details, see instructions.)	9	9,268.	162.
10 Add the amounts on line 9 of both columns and enter the total here. Also, enter the total on Schedule A (Form 1040), line 20 (or on Schedule A (Form 1040NR), line 9). (Reservists, qualified performing artists, fee-basis state or local government officials, and individuals with disabilities: See the instructions for special rules on where to enter the total.)	10		9,430.

LHA For Paperwork Reduction Act Notice, see instructions.

Form 2106 (2006)

Part II Vehicle Expenses**Section A - General Information** (You must complete this section if you are claiming vehicle expenses.)

		(a) Vehicle	(b) Vehicle
11	Enter the date the vehicle was placed in service	11	
12	Total miles the vehicle was driven during 2006	12	miles
13	Business miles included on line 12	13	miles
14	Percent of business use. Divide line 13 by line 12	14	%
15	Average daily roundtrip commuting distance	15	miles
16	Commuting miles included on line 12	16	miles
17	Other miles. Add lines 13 and 16 and subtract the total from line 12	17	miles
18	Do you (or your spouse) have another vehicle available for personal use?	<input type="checkbox"/> Yes <input type="checkbox"/> No	

19 Was your vehicle available for personal use during off-duty hours? ☐ Yes ☐ No

20 Do you have evidence to support your deduction? ☐ Yes ☐ No

21 If "Yes," is the evidence written? ☐ Yes ☐ No

Section B - Standard Mileage Rate (See the instructions for Part II to find out whether to complete this section or Section C.)

22 Multiply line 13 by 44.5¢ (.445) **22**

Section C - Actual Expenses

		(a) Vehicle	(b) Vehicle
23	Gasoline, oil, repairs, vehicle insurance, etc.	23	
24a	Vehicle rentals	24a	
b	Inclusion amount (see instructions)	24b	
c	Subtract line 24b from line 24a	24c	
25	Value of employer-provided vehicle (applies only if 100% of annual lease value was included on Form W-2-see instructions)	25	
26	Add lines 23, 24c, and 25	26	
27	Multiply line 26 by the percentage on ln 14	27	
28	Depreciation (see instructions)	28	
29	Add lines 27 and 28. Enter total here and on line 1	29	

Section D - Depreciation of Vehicles (Use this section only if you owned the vehicle and are completing Section C for the vehicle.)

		(a) Vehicle	(b) Vehicle
30	Enter cost or other basis (see instructions)	30	
31	Enter section 179 deduction (see instructions)	31	
32	Multiply line 30 by line 14 (see instructions if you claimed the section 179 deduction or special allowance)	32	
33	Enter depreciation method and percentage (see instructions)	33	
34	Multiply line 32 by the percentage on line 33 (see instructions)	34	
35	Add lines 31 and 34	35	
36	Enter the applicable limit explained in the line 36 instructions	36	
37	Multiply line 36 by the percentage on ln 14	37	
38	Enter the smaller of line 35 or line 37. If you skipped lines 36 and 37, enter the amount from line 35. Also enter this amount on line 28 above	38	

Form 2106 (2006)

FORM 1040	PERSONAL EXEMPTION WORKSHEET	STATEMENT	1
1. IS THE AMOUNT ON FORM 1040, LINE 38, MORE THAN THE AMOUNT SHOWN ON LINE 4 BELOW FOR YOUR FILING STATUS?			
NO. STOP. MULTIPLY \$3,300 BY THE TOTAL NUMBER OF EXEMPTIONS CLAIMED ON FORM 1040, LINE 6D, AND ENTER THE RESULT ON LINE 42.			
YES. CONTINUE			
2. MULTIPLY \$3,300 BY THE TOTAL NUMBER OF EXEMPTIONS CLAIMED ON FORM 1040, LINE 6D			6,600.
3. ENTER THE AMOUNT FROM FORM 1040, LINE 38		347,716.	
4. ENTER THE AMOUNT FOR YOUR FILING STATUS		225,750.	
SINGLE		\$150,500	
MARRIED FILING JOINTLY OR WIDOW(ER)		\$225,750	
MARRIED FILING SEPARATELY		\$112,875	
HEAD OF HOUSEHOLD		\$188,150	
5. SUBTRACT LINE 4 FROM LINE 3		121,966.	
6. IS LINE 5 MORE THAN \$122,500 (\$61,250 IF MARRIED FILING SEPARATELY)?			
[] YES. MULTIPLY \$1,100 BY THE TOTAL NUMBER OF EXEMPTIONS CLAIMED ON FORM 1040, LINE 6D. ENTER THE RESULT HERE AND ON FORM 1040, LINE 42. DO NOT COMPLETE THE REST OF THIS WORKSHEET.			
[X] NO. DIVIDE LINE 5 BY \$2,500 (\$1,250 IF MARRIED FILING SEPARATELY). IF THE RESULT IS NOT A WHOLE NUMBER, INCREASE IT TO THE NEXT WHOLE NUMBER (FOR EXAMPLE, INCREASE 0.0004 TO 1)			
			49.
7. MULTIPLY LINE 6 BY 2% (.02) AND ENTER THE RESULT AS A DECIMAL			0.98
8. MULTIPLY LINE 2 BY LINE 7			6,468.
9. DIVIDE LINE 8 BY 1.5			4,312.
10. SUBTRACT LINE 9 FROM LINE 2. TOTAL TO FORM 1040, LINE 42.			2,288.

FORM 1040	TAX-EXEMPT INTEREST	STATEMENT	2
NAME OF PAYER		AMOUNT	
BANK OF AMERICA			496.
GOLDMAN SACHS			797.
TOTAL TO FORM 1040, LINE 8B			1,293.



FORM 1040 WAGES RECEIVED AND TAXES WITHHELD STATEMENT 3

T S EMPLOYER'S NAME	AMOUNT PAID	FEDERAL TAX WITHHELD	STATE TAX WITHHELD	CITY SDI TAX W/H	FICA TAX	MEDICARE TAX
OFFICE OF THE ATTORNEY GENERAL	124,465.	21,216.			5,840.	1,920.
THE UNIVERSITY OF TEXAS AT AUSTIN	7,500.	417.			465.	109.
GOLDMAN, SACHS & CO.	217,082.	44,569.			5,840.	3,192.
TOTALS	349,047.	66,202.			12,146.	5,221.

FORM 1040 QUALIFIED DIVIDENDS STATEMENT 4

NAME OF PAYER	ORDINARY DIVIDENDS	QUALIFIED DIVIDENDS
EXXON MOBIL	110.	110.
MERRILL LYNCH	362.	344.
GOLDMAN SACHS	864.	806.
TOTAL INCLUDED IN FORM 1040, LINE 9B		1,260.

FORM 1040 EXCESS SOCIAL SECURITY TAX WORKSHEET STATEMENT 5

	TAXPAYER	SPOUSE
1. ADD ALL SOCIAL SECURITY TAX WITHHELD BUT NOT MORE THAN \$5,840.40 FOR EACH EMPLOYER (THIS TAX SHOULD BE SHOWN IN BOX 4 OF YOUR W-2 FORMS). ENTER THE TOTAL HERE	6,305.	5,840.
2. ENTER ANY UNCOLLECTED SOCIAL SECURITY TAX ON TIPS OR GROUP-TERM LIFE INSURANCE INCLUDED IN THE TOTAL ON FORM 1040, LINE 63		
3. ADD LINES 1 AND 2	6,305.	5,840.
4. SOCIAL SECURITY TAX LIMIT	5,840.	5,840.
5. SUBTRACT LINE 4 FROM LINE 3. EXCESS SOCIAL SECURITY TAX INCLUDED IN FORM 1040, LINE 67.	465.	0.

SCHEDULE A CASH CONTRIBUTIONS STATEMENT 6

DESCRIPTION	AMOUNT 50% LIMIT	AMOUNT 30% LIMIT
VARIOUS CHARITIES	0. 4,797.	
SUBTOTALS	4,797.	
TOTAL TO SCHEDULE A, LINE 15		4,797.

SCHEDULE A CONTRIBUTIONS OTHER THAN CASH OR CHECK STATEMENT 7

DESCRIPTION	AMOUNT 100% LIMIT	AMOUNT 50% LIMIT	AMOUNT 30% LIMIT	AMOUNT 20% LIMIT
HUMBLE AREA ASSISTANCE MINISTRIES		150.		
SUBTOTALS		150.		
TOTAL TO SCHEDULE A, LINE 16				150.

SCHEDULE A	ITEMIZED DEDUCTIONS WORKSHEET	STATEMENT	8
1.	ENTER THE TOTAL OF THE AMOUNTS FROM SCHEDULE A, LINES 4, 9, 14, 18, 19, 26, AND 27	66,747.	
2.	ENTER THE TOTAL OF THE AMOUNTS FROM SCHEDULE A, LINES 4, 13, AND 19, PLUS ANY GAMBLING AND CASUALTY OR THEFT LOSSES INCLUDED ON LINE 27.	0.	
3.	IS THE AMOUNT ON LINE 2 LESS THAN THE AMOUNT ON LINE 1? IF NO, YOUR DEDUCTION IS NOT LIMITED. ENTER THE AMOUNT FROM LINE 1 ABOVE ON SCHEDULE A, LINE 28. IF YES, SUBTRACT LINE 2 FROM LINE 1	66,747.	
4.	MULTIPLY LINE 3 BY 80% (.80).	53,398.	
5.	ENTER THE AMOUNT FROM FORM 1040, LINE 38.	347,716.	
6.	ENTER: \$150,500 (\$75,250 IF MARRIED FILING SEPARATELY)	150,500.	
7.	IS THE AMOUNT ON LINE 6 LESS THAN THE AMOUNT ON LINE 5? IF NO, YOUR DEDUCTION IS NOT LIMITED. ENTER THE AMOUNT FROM LINE 1 ABOVE ON SCHEDULE A, LINE 28. IF YES, SUBTRACT LINE 6 FROM LINE 5	197,216.	
8.	MULTIPLY LINE 7 BY 3% (.03)	5,916.	
9.	ENTER THE SMALLER OF LINE 4 OR LINE 8	5,916.	
10.	DIVIDE LINE 9 BY 3.	1,972.	
11.	SUBTRACT LINE 10 FROM LINE 9.	3,944.	
12.	TOTAL ITEMIZED DEDUCTIONS. SUBTRACT LINE 11 FROM LINE 1. ENTER THE RESULT HERE AND ON SCHEDULE A, LINE 28	62,803.	

SCHEDULE D	CAPITAL GAIN DISTRIBUTIONS	STATEMENT	9
NAME OF PAYER	TOTAL CAPITAL GAIN	28% GAIN	
MERRILL LYNCH	14.		
GOLDMAN SACHS	42.		
TOTALS TO SCHEDULE D, LINE 13	56.		



SCHEDULE D	CAPITAL LOSS CARRYOVER	STATEMENT 10
1. ENTER THE AMOUNT FROM FORM 1040, LINE 41		284,913.
2. ENTER THE LOSS FROM SCHEDULE D, LINE 21, AS A POSITIVE AMOUNT.		3,000.
3. COMBINE LINES 1 AND 2. IF ZERO OR LESS, ENTER -0-		287,913.
4. ENTER THE SMALLER OF LINE 2 OR LINE 3		3,000.
5. ENTER THE LOSS FROM SCHEDULE D, LINE 7, AS A POSITIVE AMOUNT .		
6. ENTER THE GAIN, IF ANY, FROM SCHEDULE D, LINE 15		
7. ADD LINES 4 AND 6		
8. SHORT-TERM CAPITAL LOSS CARRYOVER TO 2007. SUBTRACT LINE 7 FROM LINE 5. IF ZERO OR LESS, ENTER -0- . . .		
9. ENTER THE LOSS FROM SCHEDULE D, LINE 15, AS A POSITIVE AMOUNT.		11,501.
10. ENTER THE GAIN, IF ANY, FROM SCHEDULE D, LINE 7		35.
11. SUBTRACT LINE 5 FROM LINE 4. IF ZERO OR LESS, ENTER -0-		3,000.
12. ADD LINES 10 AND 11		3,035.
13. LONG-TERM CAPITAL LOSS CARRYOVER TO 2007. SUBTRACT LINE 12 FROM LINE 9. IF ZERO OR LESS, ENTER -0- . .		8,466.



FORM 6251	EXEMPTION WORKSHEET	STATEMENT 11
1	ENTER: \$42,500 IF SINGLE OR HEAD OF HOUSEHOLD; \$62,550 IF MARRIED FILING JOINTLY OR QUALIFYING WIDOW(ER); \$31,275 IF MARRIED FILING SEPARATELY.	62,550.
2	ENTER YOUR ALTERNATIVE MINIMUM TAXABLE INCOME (AMTI) FORM 6251, LINE 28	313,612.
3	ENTER: \$112,500 IF SINGLE OR HEAD OF HOUSEHOLD; \$150,000 IF MARRIED FILING JOINTLY OR QUALIFYING WIDOW(ER); \$75,000 IF MARRIED FILING SEPARATELY	150,000.
4	SUBTRACT LINE 3 FROM LINE 2. IF ZERO OR LESS ENTER -0-	163,612.
5	MULTIPLY LINE 4 BY 25% (.25).	40,903.
6	SUBTRACT LINE 5 FROM LINE 1. IF ZERO OR LESS, ENTER -0-. IF THIS FORM IS FOR A CHILD UNDER AGE 18, GO TO LINE 7 BELOW. OTHERWISE, STOP HERE AND ENTER THIS AMOUNT ON FORM 6251, LINE 29, AND GO TO FORM 6251, LINE 30	21,647.
7	CHILD'S MINIMUM EXEMPTION AMOUNT.	
8	ENTER THE CHILD'S EARNED INCOME, IF ANY	
9	ADD LINES 7 AND 8	
10	ENTER THE SMALLER OF LINE 6 OR LINE 9 HERE AND ON FORM 6251, LINE 29, AND GO TO FORM 6251, LINE 30	

FORM 2106/SBE	OTHER BUSINESS EXPENSES	STATEMENT 12
DIRECTOR		
DESCRIPTION		AMOUNT
MISCELLANEOUS		1,970.
TOTAL TO FORM 2106/SBE, PART I, LINE 4		1,970.



FORM 2106/SBE	OTHER BUSINESS EXPENSES	STATEMENT 13
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ATTORNEY

DESCRIPTION	AMOUNT
COMPUTER RELATED	3,438.
CONFERENCES	2,441.
PERIODICALS	1,012.
COMMUNICATIONS	1,569.
MISCELLANEOUS	688.
TOTAL TO FORM 2106/SBE, PART I, LINE 4	9,148.